

Message Text

LIMITED OFFICIAL USE

PAGE 01 LONDON 14174 01 OF 02 241800Z
ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 PM-05 CAB-02 CIAE-00 COME-00
DODE-00 DOTE-00 EB-08 INR-07 NSAE-00 FAA-00 L-03
LAB-04 SIL-01 TRSE-00 H-01 SS-15 NSC-05 OC-06
SP-02 CCO-00 USPS-01 /086 W
-----036780 241808Z /40

R 241740Z AUG 77
FM AMEMBASSY LONDON
TO SECSTATE WASHDC 7625
INFO AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY COPENHAGEN
AMEMBASSY DUBLIN
AMEMBASSY THE HAGUE
AMEMBASSY LUXEMBOURG
AMEMBASSY ROME
USMISSION NATO
AMEMBASSY PARIS
USMISSION GENEVA
USNMR SHAPE
AMCONSUL BELFAST
AMCONSUL EDINBURGH

LIMITED OFFICIAL USE SECTION 01 OF 02 LONDON 14174

USEEC ALSO FOR EMBASSY

USOEC D ALSO FOR EMBASSY

E.O. 11652: N/A
TAGS: ELAB, UK, PINT
SUBJECT: AIR CONTROLLERS STRIKE TESTS GOVERNMENT'S PAY
RESTRAINT GUIDELINES
REF: LONDON 14015 (NOTAL)

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LONDON 14174 01 OF 02 241800Z

SUMMARY: AIR TRAFFIC CONTROL ASSISTANTS GO-SLOW AT
BRITISH AIRPORTS, SCHEDULED TO ESCALATE TO FULL STRIKE
OVER COMING HOLIDAY WEEKEND, IS NOT ONLY DISRUPTIVE OF
TRAVEL PLANS BUT ALSO ILLUSTRATES GOVERNMENT'S PROBLEMS
IN ENFORCING NEW PAY GUIDELINES. ALTHOUGH THE MERITS OF
THE CASE ARE DEBATABLE, THE GOVERNMENT IS DETERMINED IT
WILL NOT CONCEDE IN THIS FIRST DISPUTE INVOLVING PUBLIC

EMPLOYEES, BECAUSE THE PRIVATE SECTOR WOULD THEN BE EVEN LESS LIKELY TO DEMONSTRATE THE KIND OF RESISTANCE TO PAY CLAIMS THE GOVERNMENT HAS CALLED FOR. THE UNION, WITH THE BLESSING IN THIS INSTANCE OF THE TRADES UNION CONGRESS, WHICH OTHERWISE SUPPORTS THE GOVERNMENT'S WAGE POLICY, IS ALSO DETERMINED TO FIGHT FOR THE DELAYED IMPLEMENTATION OF ITS 1975 AGREEMENT. CONTINUED GOVERNMENT/TUC COOPERATION ON WAGE RESTRAINT WILL BE AT STAKE AT THE SEPTEMBER 5-9 TUC CONFERENCE. END SUMMARY.

1. ALTHOUGH A FEW PRIVATE FIRMS HAVE ALREADY BREACHED THE GOVERNMENT'S PAY POLICY BY GRANTING INCREASES OF MORE THAN TEN PERCENT AND COMPOUNDED THEIR SIN BY GRANTING THE INCREASES AFTER LESS THAN TWELVE MONTHS SINCE THE PREVIOUS INCREASE, THE AIR TRAFFIC CONTROL ASSISTANTS INDUSTRIAL ACTION (REPORTED REFTEL) IS THE MOST DRAMATIC CHALLENGE TO DATE TO THE GOVERNMENT'S WAGE RESTRAINT GUIDELINES. THE PRIVATE FIRMS HAVE BEEN BLACKLISTED FROM GOVERNMENT CONTRACTS OR, AS IN THE CASE OF H. J. HEINZ, BEEN FORCED BY GOVERNMENT PRESSURE TO REOPEN NEGOTIATIONS WITH THEIR EMPLOYEES. THE AIRPORT SITUATION, HOWEVER, IS THE FIRST INVOLVING PUBLIC EMPLOYEES AND PROVIDES THE GOVERNMENT AN OPPORTUNITY TO SET AN EXAMPLE. THE FACTS ARE FAIRLY CLEAR BUT ARE SUBJECT TO HONEST DIFFERENCES OF INTERPRETATION.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 LONDON 14174 01 OF 02 241800Z

2. THE ASSISTANTS UNION, THE CIVIL AND PUBLIC SERVICES ASSOCIATION (CPSA), OBTAINED AN AGREEMENT WITH THEIR EMPLOYERS, THE CIVIL AVIATION AUTHORITY (CAA), IN JUNE 1975, FOLLOWING A COMPREHENSIVE POSITION RECLASSIFICATION SURVEY WHICH PROVIDED FOR 17 PERCENT INCREASES TO BE BACKDATED TO JANUARY 1, 1975. IT WAS NOT IMPLEMENTED DUE TO THE INTRODUCTION OF STAGE 1 OF THE INCOMES POLICY AND WAS AN EXAMPLE OF THE KIND OF DOUBLE DIGIT INCREASE WHICH BROUGHT ON THE PAY CONTROLS THAT YEAR. THE UNION'S CASE IS THAT THE PAY INCREASE SHOULD NOW BE AWARDED AND BACKDATED AS PROVIDED TO THE BEGINNING OF 1975, SINCE STATUTORY WAGE RESTRAINT ENDED ON JULY 31. THE GOVERNMENT'S RESPONSE IS FORCEFULLY TO REJECT THIS CLAIM, ARGUING THAT, UNDER THE TWELVE MONTH RULE (THE OTHER PILLAR OF CURRENT POLICY), THE ASSISTANTS CANNOT HAVE ANOTHER INCREASE UNTIL APRIL 1978, THE ANNIVERSARY OF THEIR LAST RAISE UNDER STAGE II RULES.

3. THE FACTS ARE OVERSHADOWED BY THE SIGNIFICANCE OF THE DISPUTE FOR THE GOVERNMENT. ALTHOUGH THE UNION INSISTS THAT IT IS NOT A NEW CLAIM IN VIOLATION OF CURRENT POLICY BUT, RATHER, A BELATED PRE-INCOMES POLICY SETTLEMENT,

THE GOVERNMENT HAS FIRMLY TAKEN THE CONTRARY POSITION.
DISRUPTION AND TEMPORARY INTERRUPTION OF AIR SERVICES ARE
INCONVENIENT BUT DO NOT THREATEN THE ECONOMY. ON THE
CONTRARY, HAVING DRAWN THE LINE, IF THE GOVERNMENT THEN
GIVES IN, ITS POLICY OF WAGE RESTRAINT WOULD BE SERIOUSLY
WEAKENED AND WITH IT ITS BEST CHANCE OF HOLDING DOWN

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 LONDON 14174 02 OF 02 241801Z
ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 PM-05 CAB-02 CIAE-00 COME-00
DODE-00 DOTE-00 EB-08 INR-07 NSAE-00 FAA-00 L-03
LAB-04 SIL-01 TRSE-00 SS-15 SP-02 H-01 OC-06
CCO-00 NSC-05 USPS-01 /086 W
-----036809 241817Z /41

R 241740Z AUG 77
FM AMEMBASSY LONDON
TO SECSTATE WASHDC 7626
INFO AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY COPENHAGEN
AMEMBASSY DUBLIN
AMEMBASSY THE HAGUE
AMEMBASSY LUXEMBOURG
AMEMBASSY ROME
USMISSION NATO
AMEMBASSY PARIS
USMISSION GENEVA
USNMR SHAPE
AMCONSUL BELFAST
AMCONSUL EDINBURGH

LIMITED OFFICIAL USE SECTION 02 OF 02 LONDON 14174

INFLATION.

4. IT IS UNFORTUNATE FOR THE GOVERNMENT THAT THE UNION
HAS THE SUPPORT OF THE TRADES UNION CONGRESS (TUC),
WHICH TAKES THE VIEW IN THIS DISPUTE THAT IT IS NOT A

NEW CLAIM AND THEREFORE SHOULD BE HONORED. THIS, IN
EFFECT, MEANS THAT THE GOVERNMENT'S BIGGEST POTENTIAL
ALLY IN THE ECONOMIC AND POLITICAL STRUGGLES OF THE COM-
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LONDON 14174 02 OF 02 241801Z

ING MONTHS IS OPPOSING THEM IN THIS DISPUTE. THE TUC
GENERAL COUNCIL'S SUPPORT OF THE GOVERNMENT'S POLICY OF
WAGE RESTRAINT, IN PARTICULAR THE TWELVE MONTHS RULE,
WILL BE SERIOUSLY CHALLENGED BY UNION DELEGATES AT THE
ANNUAL CONFERENCE TO BE HELD AT BLACKPOOL SEPTEMBER 5-9.
CONFERENCE ENDORSEMENT OF THE TWELVE-MONTH RULE IS
PARTICULARLY CRITICAL TO THE GOVERNMENT'S ECONOMIC PLAN--
WITHOUT THIS CONSTRAINT IT WOULD HAVE NO HOPE OF KEEPING
AVERAGE PAY INCREASES ANYWHERE NEAR THE 10 PERCENT
TARGET AS LEAPFROGGING CLAIMS WOULD BECOME THE NORM.
THE CONTINUED RISE IN UNEMPLOYMENT ANNOUNCED AUGUST 23
(SEPTEL) WILL ALSO MAKE IT MORE DIFFICULT TO PERSUADE
THE UNIONS THAT THEIR RESTRAINT OF THE PAST TWO YEARS
HAS ENABLED THE GOVERNMENT TO GET A HANDLE ON THE
ECONOMY. THE IMPORTANCE OF THE TUC CONFERENCE TO THE
GOVERNMENT'S PLANS IS UNDERLINED BY THE FACT THAT PRIME
MINISTER CALLAGHAN WILL ATTEND AND SPEAK TO THE
DELEGATES.

STREATOR

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EMPLOYMENT, LABOR STRIKES, AIR TRAFFIC CONTROL, STRIKE SETTLEMENT
Control Number: n/a
Copy: SINGLE
Sent Date: 24-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977LONDON14174
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770306-0060
Format: TEL
From: LONDON USEEC
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770829/aaaaayff.tel
Line Count: 199
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 0c351054-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 LONDON 14015
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 09-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1502426
Secure: OPEN
Status: NATIVE
Subject: AIR CONTROLLERS STRIKE TESTS GOVERNMENT'S PAY RESTRAINT GUIDELINES
TAGS: ELAB, PINT, UK
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/0c351054-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009